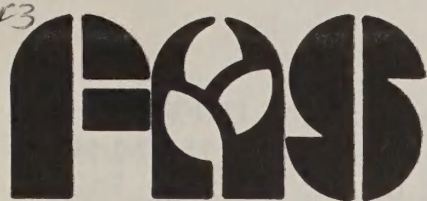


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REPORT

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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 1-83

WASHINGTON, Jan. 5--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

EC TRADE NOTES

The EUROPEAN COMMUNITY (EC) Commission recently announced its 1983/84 farm price proposals. The Commission is recommending an average 5.5-percent increase for most agricultural products, with a 4-percent increase for sugar and grains. When adjusted for the operation of the guaranteed thresholds, the effective increase in intervention prices will be 3 percent for grains and 3.2 percent for milk products. The Commission proposes increases of from 6 to 7.5 percent for cotton, certain varieties of tobacco, peas and beans, dried fodder, flax, sunflowerseed and soybeans and 4.5 percent for rapeseed. A final decision on farm prices will be made by the Council of Agricultural Ministers of the member states, probably in April.

The proposed increases for 1983/84 run counter to present world market trends. Even the moderate rise in grain prices will increase the already large disparity between EC and world prices. During 1980-1982, world wheat prices fell 34 percent and U.S. wheat prices fell 11 percent, while EC wheat prices rose 15 percent. In the same period, corn prices fell 34 percent in the world market and 24 percent in the United States, compared with a 15-percent increase in the EC.

Farm income in the Community increased 5 percent in 1982 (in real terms) while income in all other sectors of the EC economy increased only 0.3 percent.

The Organization of European Farmers has called for an average price increase of 7 percent.

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U.S. apple exports face formidable competition from the EUROPEAN COMMUNITY during the 1982/83 season as EC apple exports destined to the Middle East and some Asian countries enjoy a subsidy of over \$2.00 per carton. This year's French crop is 26 percent larger than last year's and reduced French prices, coupled with the sizable subsidy, indicate that a loss in U.S. market shares in these countries may be inevitable. During the 1981/82 marketing season, U.S. apple exports to these countries were valued at \$44.0 million, representing nearly 28 percent of total U.S. apple exports. For the first three months of the 1982/83 season, U.S. apple exports to the Middle East were down 42 percent, primarily because of substantially reduced shipments to the United Arab Emirates.

The EUROPEAN COMMUNITY Commission has amended its regulation on entry conditions for certain types of tobacco. Effective Jan. 1, 1983, no certificate can be issued or accepted for flue-cured Virginia type, light air-cured burley type (including burley hybrids), light air-cured Maryland type and fire-cured tobacco when more than one type is put in the same immediate packing. This new measure is intended to clarify different interpretations regarding issuing a certificate of authenticity when more than one type of tobacco is packed together, as well as simplify application of the common customs tariffs.

Other recent actions of the Commission involving tobacco include extending the validity of provisions laid down for tobacco originating in countries enjoying the Generalized System of Preferences for one year to Dec. 31, 1983, and a one-year extension of the second stage of tobacco tax harmonization to Dec. 31, 1983.

GRAIN AND FEED

AUSTRALIA's Grain Sorghum Marketing Board has been given approval to import up to 75,000 tons of U.S. corn or sorghum for January. If these quantities are purchased, it would mark the first Australian sorghum imports and the largest coarse grain imports ever. Australia usually only imports small quantities of rye. The devastating drought, which cut Australian wheat and barley output in half, is now taking its toll on the sorghum crop. Sorghum prospects are deteriorating daily as the drought continues. The first sorghum harvest begins in February and additional feed grain imports may be necessary early this year.

DAIRY, LIVESTOCK AND POULTRY

Meat production on state and collective farms in the SOVIET UNION during the first 11 months of 1982 was 14.46 million tons (live weight basis), 99.9 percent of the 1981 level. Beef and pork production were down 1 and 2 percent, respectively, while poultry meat production was up 8 percent. Milk and egg production were reported to be up 2 percent and 3 percent, respectively.

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Growth in Soviet livestock herds continued during November. On December 1, cattle numbers stood at 90.5 million head, hogs at 57.4 million head, and poultry at 695 million birds, all up from December 1981. Only sheep and goat numbers were down.

Average slaughter weights for cattle and hogs during the month of November showed some improvement over 1981. However, cumulative averages for January-November were down for cattle and only equal to 1981 in the hog sector. In the dairy sector, milk production per cow was up about 2 percent.

COTTON AND FIBERS

The TAIWAN Cotton Spinners Association (TCSA) recently proposed changes in cotton purchasing practices for the industry. In an effort increase efficiency, TCSA is advocating coordinated purchasing efforts by the mills. Assistance from TCSA would be contingent upon minimum purchases by the contracting parties of 1,000 bales for same quality cotton or 2,000 bales when a variety of qualities are purchased. Minimum purchases would need to be made through one supplier.

TOBACCO

JAPAN's Tobacco and Salt Public Corporation (JTS) and the Ministry of Finance have agreed to raise retail prices of domestic cigarettes by 20 yen (about 8 cents) per pack, effective May 1, 1983. The most popular brand is currently selling for 180 yen per pack (about 73 cents). The purpose of the increase is to raise more revenue for the government. The JTS is expected to contribute 960 billion yen to the government in Japan fiscal year 1983, an increase of 26 percent from the current level of 760 billion yen.

In KENYA, the Ministry of Finance increased a number of consumer retail prices, including those of tobacco products, effective Dec. 2, 1982. This was part of a total package of retail price increases necessitated by difficult economic conditions. There was a need to increase sales tax and import duties to raise revenues for the country, according to the Ministry. Price increases in tobacco products included eleven brands of domestically manufactured cigarettes and four brands of pipe tobacco. Percentage increases ranged from 8 to 20 percent per pack for cigarettes and 16 to 40 percent for a packet of pipe tobacco.

For other tobacco items, see EC Trade Notes section.

FRUITS AND NUTS

Citrus production in SELECTED COUNTRIES of the Northern Hemisphere for the 1982/83 season is expected to total 31 million tons, 3 percent above last year. Adverse weather in Italy, Mexico and Spain reduced output from last season by 17, 8, and 1 percent, respectively. Production increased in the United States, Japan, and Turkey by 17, 3, and 2 percent, respectively.

Orange production in the Northern Hemisphere for the 1982/83 season is estimated at 18 million tons, up 7 percent from last season. In the United States, orange production is expected to recover to 8.8 million tons from last season's freeze-damaged crop. The larger U.S. orange crop is expected to offset production declines in Italy and Mexico.

Grapefruit, tangerine and lemon crops are expected to be below 1981/82 levels. The grapefruit crop is forecast at 3.4 million tons, 6 percent below last season. A 5-percent drop in grapefruit production for the United States, combined with a 14-percent lower estimate for Israel and a 4-percent decline in Mexico, account for the reduction. Tangerine and lemon crops are estimated at 5.5 million and 2.7 million tons, respectively, representing a marginal decline from last season's crops. A 3-percent drop in Spanish tangerine output, along with a smaller Italian harvest, were balanced against Japan's marginal increase.

Lemon production rose sharply in the United States and moderately in Turkey to offset reduced crops in all other major Northern Hemisphere producing countries. The U.S. lemon crop, estimated at over 1 million tons, will nearly equal the record 1980/81 crop.

All other citrus crops, including limes, for the 1982/83 season are estimated at 1.2 million tons, up marginally from last season. Citrus production data are as follows in million tons:

	1980/81 1/	1981/82 1/	Forecast 1982/83 1/
United States	13.7	11.0	12.8
Japan	3.5	3.5	3.6
Spain	3.0	2.9	2.9
Italy	2.8	3.0	2.5
Mexico	2.4	2.5	2.3
Israel	1.3	1.7	1.4
Turkey	1.1	1.1	1.1
Egypt	1.1	1.0	1.0
Other 2/	3.0	3.3	3.3
Total Northern Hemisphere	31.9	30.0	30.9

1/ Crop year--October-September. 2/ Includes Cyprus, Gaza, Greece, Lebanon, Morocco, Belize and Cuba.

For other fruit items, see EC Trade Notes section.

VEGETABLES

Production of tomatoes for processing in 10 MAJOR GROWING COUNTRIES is estimated at 13 million tons, up 13 percent from 1981. Total area in 1982 is estimated to have increased 7 percent to 288,028 hectares. Larger harvests in the United States, Greece, Spain, Canada, Portugal, Mexico, Taiwan and Israel more than compensated for lower output in Italy and France.

In the United States, late-season rains in California reduced the crop. However, a 16-percent larger area and a 10-percent increase in yields resulted in a 6.6-million-ton U.S. harvest, up nearly 28 percent from 1981. Dry weather reduced yields in Italy by nearly 5 percent, which, combined with a 4-percent drop in area, reduced Italy's harvest to 2.8 million tons--8 percent less than last year. A 7-percent increase in Greek area kept harvest levels nearly equal to last year's despite a 6-percent fall in yields as a result of flooding in the higher yielding areas of the Kopais and Domokos Plains in central Greece. The harvest in Spain was nearly 14 percent above last year, as a 21-percent jump in yields overcame a 6-percent area reduction. In Mexico, an 11-percent increase in tomato area, combined with a nearly 5-percent drop in yields, resulted in a 6-percent larger harvest.

Despite heavy rains and flooding during transplanting in Taiwan, production increased 38 percent from last year. Processing tomato area was 17 percent above the 1981 total and yields were 18 percent higher. The outlook for the 1983 processing tomato crop in Taiwan is for a 10-percent smaller harvest as plantings have declined about 6 percent. Transplanting of the 1983 crop was completed during the fall of 1982.

Production of tomatoes for processing by selected countries was as follows in 1,000 tons:

	1980	1981	1982
United States	5,634	5,186	6,622
Italy	3,083	3,050	2,800
Greece	1,500	1,189	1,193
Spain	499	477	543
Canada	380	454	490
Portugal	454	386	480
Taiwan	491	274	378
France	416	377	357
Israel	166	181	240
Mexico	170	170	180
Total	12,793	11,744	13,283

SCHEDULE OF ESTIMATE RELEASES--1983

Release dates in 1983 for world production estimates for selected commodities through the Weekly Roundup of World Production and Trade are as follows:

January	19	World Tree Nut Production
	26	World Deciduous Fruit and Grape Production
February	16	World Cocoa Production
March	2	World Poultry and Egg Production
	2	World Livestock Numbers and Red Meat Production
	9	World Dairy Production
	9	World Coffee Production
April	6	World Tea Production
	20	World Pineapple Production

May	4	World Sugar Production
	4	Southern Hemisphere Dried Fruit Production
	25	World Tobacco Production
June	2	World Poultry and Egg Production
	2	World Livestock Numbers and Red Meat Production
	8	World Coffee Production
	8	Southern Hemisphere Citrus Production
July		No reports scheduled
August		No reports scheduled
September	8	World Poultry and Egg Production
	8	World Livestock Numbers and Red Meat Production
	8	World Almond and Filbert Production
	14	World Coffee Production
	14	World Tea Production
	14	World Dairy Production
	14	Northern Hemisphere Apple and Pear Production
	21	World Honey Production
October	13	World Cocoa Production
	19	World Walnut and Pistachio Production
	26	World Sugar Production
November	2	Northern Hemisphere Dried Prune and Raisin Production
	23	World Tobacco Production
	23	World Poultry and Egg Production
	23	World Livestock Numbers and Red Meat Production
	30	Northern Hemisphere Citrus Production
	30	World Dairy Production
December	14	World Coffee Production

In contrast to 1982, summaries of world grain, oilseed and cotton production in 1983 will be released only in the monthly FAS circular World Crop Production. More comprehensive coverage will continue to be provided in the regular series of FAS commodity situation circulars. Commodity situation and World Crop Production circulars may be subscribed to by contacting:

Information Services Staff
 Room 5918 South Building
 Foreign Agricultural Service
 U.S. Department of Agriculture
 Washington, D.C. 20250

Release dates for the World Crop Production reports are as follows:

January	13	May	10	September	12
February	10	June	10	October	12
March	10	July	12	November	10
April	11	August	11	December	12

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Selected International Prices

Item	January 4, 1983		Change from	A year
			previous week	ago
	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
ROTTERDAM PRICES 1/				
Wheat:				
Canadian No. 1 CWRS-13.5%*	202.00	5.50	-1.00	N.Q.
U.S. No. 2 DNS/NS: 14%....	183.50	4.99	-1.00	199.25
U.S. No. 2 DHW/HW: 13.5%**	N.Q.	--	--	196.50
U.S. No. 2 S.R.W.....	151.00	4.11	-4.00	173.00
U.S. No. 3 H.A.D*.....	171.00	4.65	-2.00	195.00
Canadian No. 1 A: Durum*..	197.00	5.36	-1.00	220.00
Feed grains:				
U.S. No. 3 Yellow Corn....	117.50	2.98	-0-	123.50
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	135.00
Feed Barley 3/.....	N.Q.	--	--	N.Q.
Soybeans and meal:				
U.S. No. 2 Yellow.....	230.00	6.26	-1.00	247.50
Brazil 47/48% SoyaPellets 4/	231.50	--	+50	N.Q.
U.S. 44% Soybean Meal.....	217.00	--	-50	234.00
U.S. FARM PRICES 5/				
Wheat.....	128.60	3.50	+1.47	133.75
Barley.....	61.55	1.34	+1.38	79.00
Corn.....	89.36	2.27	+3.15	92.91
Sorghum.....	90.61	4.11 6/	+66	88.18
Broilers 7/.....	944.45	--	-12.34	910.72
EC IMPORT LEVIES				
Wheat 8/.....	112.24	3.05	+3.24	86.25
Barley.....	106.83	2.33	+3.15	82.30
Corn.....	110.33	2.80	+3.20	108.85
Sorghum.....	103.34	2.62	+3.11	96.00
Broilers 9/.....	308.00	--	+1.00 10/	248.00
EC INTERVENTION PRICES 11/				
Common wheat(feed quality)	187.86	5.11	+2.83	191.83
Bread wheat.....	206.74	5.63	+2.88	221.34
Barley and all				
other feed grains.....	187.86	--	+2.83	191.83
Broilers 12/.....	1105.00	--	+27.00	--
EC EXPORT RESTITUTIONS (subsidies)				
Wheat.....	N.Q.	--	--	N.Q.
Wheat flour.....	N.Q.	N.Q.	N.Q.	N.Q.
Barley.....	N.Q.	--	--	N.Q.
Broilers 9/.....	199.00	--	+1.00 10/	145.00
Sugar, refined 13/.....	334.00	--	-3.00	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Change in dollar value of broiler levy or restitution generally reflects currency fluctuations and not change in level set by EC. 11/ Basically the intervention price is the EC farm price support, determined annually. 12/ F.o.b. price for whole broilers at West German border. 13/ Week of Jan. 4, based on a maximum subsidy of 37.043 ECU's per 100 kg. N.Q.=Not quoted.

Note: Basis January delivery. * April-May. ** HRW 13%.

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